

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY CANBERRA

AMEMBASSY COLOMBO

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY SEOUL

AMEMBASSY TAIPEI

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

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FOLLOWING REPEAT MANILA 07974 SENT ACTION SECSTATE DTD 01 JUL

QUOTE:

C O N F I D E N T I A L

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USADB

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PASS TREASURY FOR COOPER/BUSHNELL

E.O. 11652: ADS, DECLAS 12/31/75

TAGS: EAID, EFIN

SUBJECT: REPLENISHMENT OF ADF--DONORS' MEETING

REF: MANILA 8714

1. ON JUNE 24, ADB PRESIDENT INOUE CALLED INFORMAL MEETING OF DIRECTORS/ALTERNATES REPRESENTING POTENTIAL DONORS TO ADF REPLENISHMENT TO REPORT ON HIS BREAKFAST MEETING IN PARIS ON JUNE 13 WITH TREASURY ASSISTANT SECRETARY COOPER. INOUE INDICATED U.S. RATIONALE FOR POSTPONEMENT OF MEETING FROM JULY 16-17 TO LATE SEPTEMBER WAS DUE TO (A) NONAVAILABILITY OF CONGRESSIONAL COMMITTEES FOR CONSULTATIONS DURING EARLY JULY DUE TO FOURTH PG OF JULY HOLIDAY RECESS, (B) FEELING THAT APPROACH TO COMMITTEES RIGHT NOW COULD BE COUNTER-PRODUCTIVE DUE THEIR CONCERN OVER AID TO INDOCHINA COUNTRIES, AND (C) PRIORITY OF IDB AT THIS TIME FOR U.S. PARTICIPATION IN ORDINARY CAPITAL REPLENISHMENT.

2. WHILE GENERAL ATMOSPHERE AT MEETING (EXCEPT FOR DIRECTORS REPRESENTING AUSTRALIA AND GERMANY/UK) WAS TO ACCEPT POSTPONEMENT WITH RELUCTANCE, CONCERN WAS EXPRESSED OVER INABILITY U.S. TO GIVE ANY ASSURANCE WHATSOEVER AT THIS TIME RE U.S. PARTICIPATION IN ADF REPLENISHMENT. AUSTRALIAN DIRECTOR PARTICULARLY VOCAL AND CAUSTIC. SAID IT WAS INTOLERABLE SITUATION WHERE BANK WAS BEING HELD TO RANSOM BY U.S.; THAT ONE COUNTRY WAS DENYING OPPORTUNITY FOR MEETING; AND THAT POSTPONEMENT WAS MERELY DEVICE TO TAKE HEAT OFF U.S. SAID PRESSURE SHOULD BE PUT ON U.S.; THAT MEETING SHOULD BE HELD ASAP; AND THAT FAIRLY STRONG CRITICISM SHOULD BE DIRECTED AT U.S.

3. AT REGULAR BOARD MEETING HELD JUNE 26, EXECUTIVE DIRECTOR FOR UK AND FRG READ OUT STATEMENT INDICATING BOTH HIS CONSTITUENT GOVERNMENTS REGRETTED POSTPONEMENT, BUT ACCEPTED THIS AS UNAVOIDABLE IN VIEW QUOTE KEY ROLE PLAYED BY THE U.S. AND THE PLAIN FACT THAT THE LIMITED OFFICIAL USE

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SUCCESS OR FAILURE OF THE ADF DEPENDS ON THEIR ATTITUDE UNQUOTE.

4. STATEMENT FURTHER NOTED HOPE OF BOTH GOVERNMENTS THAT, AT IBRD/XIMF MEETING IN WASHINGTON AT BEGINNING OF SEPTEMBER, USG WOULD HAVE BEEN ABLE TO PROVIDE SUFFICIENT ASSURANCE OF SUPPORT TO ENABLE SIZE OF REPLENISHMENT AND ALLOCATION OF CONTRIBUTIONS

BETWEEN DONORS TO BE DETERMINED AND FURTHER REGRETTED
THIS WAS NO LONGER POSSIBLE.

5. STATEMENT ADDED THAT DELAY PRESENTED QUOTE GREAT
DIFFICULTIES TO GERMAN AUTHORITIES UNQUOTE BY GIVING
FRG LESS AND LESS TIME TO COMPLETE REPLENISHMENT
PROCESS AS END OF FRG BUDGET - CALENDAR YEAR APPROACHES.
NOTING THAT BOTH FRG AND UK WOULD BE UNABLE MAKE
COMMITMENTS UNLESS OTHER MAJOR CONTRIBUTORS DO LIKEWISE,
DIRECTOR CONCLUDED THAT FRG'S ADF BUDGETARY PROVISION
MADE FOR 1975, IF NOT UTILIZED, WOULD ALSO MEAN VIRTUAL
IMPOSSIBILITY OBTAINING NEW COMMITMENT FOR 1976 GIVEN
EXTREME BUDGETARY CONSTRAINTS DURING THAT YEAR. FYI:
LATTER POINT STRESSED PRIVATELY TO U.S. DIRECTOR ON
BASIS CABLED INFORMATION FROM FRG'S SCHULZ. END FYI.
PURNELL UNQUOTE
INGERSOLL

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